



**U.S. Department of Justice**

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**For Immediate Release:**

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**EVENT: Guilty Plea**

**Defendant: Iftakhar Udin Khan.**

**BLOOMFIELD HILLS MAN PLEADS GUILTY TO HEALTH CARE FRAUD**

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A 59-year-old Bloomfield Hills man pled guilty today to committing health care fraud, United States Attorney Stephen J. Murphy announced today.

Pleading guilty before U.S. District Judge Nancy Edmunds was Iftakhar Udin Khan.

In his plea, Khan agreed that he signed and caused to be submitted to the federal Medicare program, a fraudulent cost report relative to claimed expenses incurred in operating Michigan Rehabilitation and Pain Management (MRPM), a business which provided health care services to Medicare patients. Specifically, Khan agreed that when he signed and caused the submission of the cost report, he knew it contained false expense entries, including: 1) salaries and pension costs for defendant's spouse and defendant's brother's spouse, neither of which were employed as represented by MRPM; and (2) non-reimbursable marketing expenses associated with patient referral activities that were disguised as reimbursable expenses, such as contract physical therapy costs.

As part of the plea, the government may establish that Khan committed similar fraudulent acts regarding three other annual Medicare cost reports which, along with the previous cost report,

resulted in MRPM improperly receiving a total of \$799,462 from Medicare. The government has charged that Khan committed these acts while serving as the MRPM's president.

“Health care fraud is a silent tax forcing honest citizens and corporations to pay more for health insurance premiums and medical services than they should. It forces senior citizens to pay higher premiums and wastes dollars that could otherwise be spent taking care of the sick,” Murphy said. “My office is committed to bringing to justice anyone involved in ripping off Medicare and private health insurance companies and this investigation is an example of our efforts to stop these fraudulent practices.”

Khan's sentencing is scheduled for May 3, 2007. Given his guilty plea, Khan may be sentenced to up to 30 months in prison.

The investigation of this case was conducted by the Federal Bureau of Investigation, the Department of Health and Human Services—Office of the Inspector General, and the Postal Inspection Service. The case has been prosecuted by Assistant U.S. Attorneys Paul Burakoff and James Mitzelfeld.